(c) whether the commercial banks are complying with the guidelines prepared by the Reserve Bank of India while sanctioning loans to the small scale industries;

(d) if not, whether they would be compelled to follow the guidelines of the Reserve Bank of India; and

(e) if so, by when and if not, the reasons for charging a relatively higher rate of interest from the small scale industries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) As per extant interest rate directives, for loans up to Rs. 2 lakh it should not exceed the respective Prime Lending Rate (PLR) of individual bank. Above Rs. 2 lakh, banks have been granted discretion to fix their interest rate on advances.

Reserve Bank of India has initiated following steps to give the benefits of softer interest rate;

(i) Banks have been advised to adopt the interest rate band of 2 percent above and below its PLR for secured advances.

(ii) Banks have been advised to set the interest rate on advances keeping in view prevailing general southward movement in interest rates.

(iii) Banks have also been advised to fix at least 3 slabs of rate of interest for loans up to Rs. 50,000; between Rs. 50,000 & Rs. 2 lakh and above Rs. 2 lakh.

All the public sector banks have implemented the above instructions.

Committee to look into cost of obtaining MAPIN

3450. SHRI RAJU PARMAR:
SHRIMATI KAMLA MANHAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Securities and Exchange Board of India (SEBI) have constituted a Committee to look into the coverage and cost of obtaining Market Participants and investors Identification Number (MAPIN) for the market participants and investors;

(b) if so, what is the composition and terms of reference of the Committee;

(c) whether certain agents are still carrying out the registrations when the main issues including the issue of overcharging of registrations are being discussed by the Committee; and

(d) if so, whether SEBI will issue directions to agents for termination of registrations till the report of the Committee is finalized and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The Securities and Exchange Board of India (SEBI) has informed that it has constituted a committee for reexamining the coverage of MAPIN, *i.e.*, the category of market participants and investors who will be required to obtain Unique Identification Number (UIN), suggest future implementation schedule based on the coverage and to review the cost of obtaining the UIN for the market participants and investors.

(b) The committee is charged by Shri Jagdish Capoor, former Deputy Governor, Reserve Bank of India and currently Chairman, HDFC Bank. The other members of the committee are as follows:

(i) Shri C.B. Bhave, Chairman and Managing Director, National Securities Depository Ltd.

(ii) Shri A.K. Narayan, President, Tamil Nadu Investors' Association.

(iii) Ms. Deena Mehta, Director, Securities Industry Association of India

(iv) Shri A. P. Kurian, Chairman, Association of Mutual Funds in India

(v) Shri Prithvi Haldea, Managing Director, Prime Database.

The terms of reference for the committee are as follows:

(i) To re-examine the coverage of MAPIN, *i.e.* the category of market participants and investors who would be required to obtain unique identification number (UIN);

(ii) to suggest future implementation schedule based on coverage;

(iii) to review the cost of obtaining the UIN for the market parpticipants and investors.

(c) In terms of SEBI (Central Database of Market Participants) Regulations 2003. Various market participants and investors have already been notified and for such notified participants MAPIN is mandatory for transacting in securities. Hence, MAPIN registration has been continued although a committee is examining issues relating to coverage, implementation and cost. There are persons who wish to have the card on present terms and hence the issuing of cards has not been stopped.

(d) It is not proposed to discontinue the registration till the report of the committee is received since there are persons who are desirous of obtaining the card on the present terms. Those who have reservations regarding the scheme have the option of waiting for the report of the committee and the decisions thereon.

Profit earned from US-64

3451. SHRIMATI SUKHBUNS KAUR:
DR. AKHILESH DAS:
SHRIMATI PREMA CARIAPPA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government in bailing out the US-64 small investor of the crisis through a package in 1999 and 2003, made a huge profit of over Rs. 2,800 crore; and

(b) if so, whether Government have drawn out any scheme to equitably distribute this profit amongst the small investors to whom it legitimately belongs and the details of such scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

Service tax and VAT on industrial catering

3452. SHRI RAJ NATH SINGH:
SHRI DARA SINGH CHAUHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether both service tax and VAT are applicable on industrial catering where the employer serves food to its employees in company premises as part of staff benefit;